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UHIA OPPOSES A BAN ON DISCRETIONARY CLAUSES

The Utah Health Insurance Association opposes a ban on discretionary clauses in the Utah Health Insurance marketplace for the following reasons:

- Utah has the lowest health care costs and premiums in the nation. In addition, Utah health carriers offer a broad range of health insurance products. UHIA is concerned that a ban on discretionary clauses would diminish coverage options to Utah's consumers.
- Discretionary clauses have not been used frequently by Utah's carriers as evidenced by the fact that very few internal and external appeals have been filed by Utah's consumers as a result of Utah's "discretionary clauses".
- Those desiring a ban on discretionary clauses argue that discretionary clauses allow insurers' unfettered authority in making claims determinations. The statement is false. Every consumer has the right to challenge an insurer's decision through an appeals process which includes an Independent Review supervised by the Utah Department of Insurance.
- Because medical science develops faster than contract language, discretionary clauses are important to maintaining a competitive marketplace. Without discretionary clauses carriers would need to develop massive contracts to respond to every conceivable contingency to protect against financial ruins.

Only nineteen states in the nation have some type of restriction on discretionary clauses. Thirty-one do not. Without substantial evidence of abuse of these clauses UHIA believes pre-emptive action will only result in fewer consumer choices and thicker insurance contracts.